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THE PROBLEM OF THE MERCHANT MARINE ¹

BERNARD N. BAKER

A FEW days ago, standing at a window in the Merchants' Club in San Francisco overlooking the harbor, my attention was called to a large steamer slowly passing down to the Golden Gate. At her stern floated the American flag, and a friend standing at my side said: "Look, Mr. Baker, at the very last steamer under our flag that will ever make a voyage to the Orient."

My reply to this was that I had an abiding faith in our country and the ability of our people to meet and overcome any difficulties, and that we should again see the stars and stripes flying over our merchantmen in all the ports of the world.

"No;" he said, "I don't believe it, because you can never get Congress to realize the importance of legislation necessary to renew the American flag on our merchant vessels. My reasons for this are, first, because there is such a wide diversity of interests to be considered, and the interests of the east coast are not the same as ours on the Pacific."

"But," said I, "is it not possible to get this divided interest to work together for the mutual good and the best interests of our country by each one surrendering some of his personal interests for the general good?"

"How do you propose to bring this about?" was his reply.

"My idea is that it can be brought about, and I am willing to undertake to make an effort to do so."

To this he replied: "I will help, and God speed you in your work."

This man was a shipowner himself and had a thorough and practical knowledge of what was needed, but he had been compelled to transfer some of his steamers to foreign registry.

¹ Discussion at the meeting of the Academy of Political Science, November 12, 1915.

From San Francisco a visit was made to Seattle and Portland, and a careful study made of harbor facilities and conditions at both these ports. My attention was called in Seattle to the steamship Minnesota then discharging her last cargo on a voyage from the Orient, and she is now on her way to the Atlantic seaboard, thus ending—at least for the present—the possibility of an American ship in our trans-Pacific trade.

Can anyone wonder that a feeling of depression was with every interest on the Pacific coast whose business was dependent upon shipping facilities and trading with the Orient, when they felt, too, that all this business, of every kind, had been turned over to the Japanese flag, which is the only flag under which ships are maintaining a regular and efficient service to the Orient?

The new republic of China—which may possibly again become a monarchy—is so interested in building up an independent service that the government has contracted with American interests for the establishment of such a service. The Chinese government proposes to guarantee the bonds of a steamship company, both principal and interest, to build ships and sail them under the American flag. Is it possible that our country is so far behind such a country as the republic of China?

So much for the conditions on the Pacific coast. On our Atlantic coast let us look at things just as they exist. Until about fifteen months ago it was impossible to cross the North Atlantic Ocean as a first-class passenger under our flag, and today it is possible to do so only because the demand for passage is so pressing and the importance of safety and protection under our flag is so great that our American Line has changed its former second-class accommodations into first-class and is now carrying passengers. These difficult conditions must be met in both oceans to develop our American shipping.

How can it be done? There is but one method that I can offer for the consideration of Congress. That is the appointment of a shipping or merchant marine board, with broad powers and ample appropriations to develop our merchant marine. Let us introduce and give earnest and active support to a bill for the appointment of such a board or commission.

Let men be selected by the President of the United States to compose this board. If possible, let them be appointed for life, to be removed only by the President for some cause satisfactory to him, or by request from the Senate to do so, and let this board be confirmed by the Senate. It matters little whether it has three or five men. My own opinion is that three men would be ample. On this board let the Administration have representation by the Secretary of Commerce and the Secretary of the Navy as *ex-officio* members. Surely we can trust the President to select men of such broad views and practical experience as could successfully carry out, to the best interests of our country, the objects to be attained in the upbuilding of a merchant marine. The wonderful success of our federal reserve board is a precedent we can well follow.

But this is no new plan. Those most interested can find it fully outlined in an article in the *North American Review* of January 1909 — more than six years ago — written by me with the approval of the then President of the United States. This contemplated the passage of an amendment to the Postal Mail Contract Act of March 3, 1891, giving to a board, to be appointed on these same lines, the power to make contracts for the establishment of lines of steamers to different ports, with a mail contract sufficient to justify their establishment. There is a great difference in the encouragement necessary to different routes and services, and only such a board as is there outlined would be competent to deal intelligently and practically with each service as conditions demand.

Let Congress give to such a board the power and the appropriation to acquire tonnage—if necessary, first, to supply naval auxiliaries suitable for the development of foreign lines, either government-owned or operated. Or let the board make loans to corporations on a perfectly secured basis. Let the board be required to submit to Congress as soon as possible any recommendations for the amendments necessary to the Ocean Mail Act of March 3, 1891. Let it be given full and absolute authority to make all rules and regulations covering our entire water-borne commerce, the establishment of a naval reserve on ships under our flag (subject, of course, to the approval of

the Secretary of the Navy), the charter of vessels to a corporation or corporations or individuals, and the establishment of steamship lines with the co-operation and joint interest of foreign countries. In other words, let it have full power to develop our foreign commerce under our own flag on the lines to the best interest of our country. The bill should give the President authority to veto any contracts made by the board, and should require the board to submit for the President's approval any important contracts that it proposes to make.

How can this be brought about now? Only by the action of Congress to be secured by the co-operation of those most interested in the development of our foreign commerce under the American flag, and the upbuilding of our merchant marine. If the different sections of our country are going, for personal reason and interest, to attempt to curtail and limit the powers of such a board, it will be so hampered that it will not be able to accomplish the object of the bill. See the wide diversity of opinion shown by the results of the referendum taken this year by the Chamber of Commerce of the United States.

Can the interests of the Pacific coast, the South, the Middle-West, the Northwest, and the Atlantic coast be brought together to advocate such a bill as will give these powers to a shipping or marine board? I believe it can be done.